

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-483-C - ORDER NO. 93-1123 *lc*
DECEMBER 15, 1993

IN RE: Application of GE Capital Communication)
Services, Inc. for a Certificate of Public)
Convenience and Necessity to Operate as a)
Reseller of Telecommunications Services)
Within the State of South Carolina.)

ORDER
APPROVING
CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of GE Capital Communications Services, Inc. (GE or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. GE's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed GE to publish a prepared Notice of Filing, one time, in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of GE's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. GE complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell), and the South Carolina Department of Consumer Affairs (the Consumer

Advocate). Southern Bell subsequently filed a Motion to Withdraw from this proceeding, and Southern Bell was allowed to withdraw its intervention in Order No. 93-1067 dated November 24, 1993. The Consumer Advocate has now filed a letter stating that it no longer desires to participate in a hearing on this matter.

Robert Reisner, President and CEO of the Company, submitted verified testimony and affidavits on behalf of the Company. Mr. Reisner explained the Company's request for authority to provide direct dial long distance service using the resold transmission services of certificated carriers in South Carolina. He stated that the Company planned to utilize the long distance facilities of AT&T and Sprint. Mr. Reisner stated that the Company's services have found a wide acceptance among small to medium-sized business customers throughout the nation. According to Mr. Reisner, the Company does not provide alternative operator services, but GE will provide to its customers the operator services of the underlying carrier at the rates that the underlying carrier is tariffed in South Carolina. Mr. Reisner also testified that GE will not provide payphone services. Mr. Reisner also indicated that GE does not plan to offer "900 services" in South Carolina. GE intends to offer its services throughout South Carolina to both business and residential users. Mr. Reisner also stated that GE will offer its services in compliance with the Commission's Rules and Regulations.

After full consideration of the applicable law, the Application, and testimony and affidavits presented by GE the Commission hereby issues its findings of fact and conclusions of

law:

FINDINGS OF FACT

1. GE is incorporated under the laws of the State of Georgia, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. GE operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. GE has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. The Commission concludes that the Consumer Advocate's letter stating its intention not to participate in a hearing in this matter is tantamount to a request to withdraw intervention. The Commission further concludes that the Consumer Advocate's request to withdraw its intervention should be granted.

2. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to GE to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

3. The Commission adopts a rate design for GE for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels

has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts GE's proposed maximum rate tariffs.

4. GE shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. GE shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of GE's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

5. GE shall file its tariff and an accompanying price list within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

6. GE is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to GE's resale of service, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

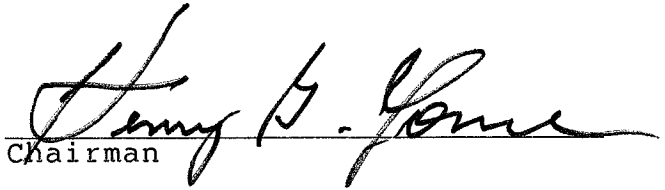
8. GE shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If GE changes underlying carriers, it shall notify the Commission in writing.

9. GE shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

10. GE shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

11. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).